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What is a deed-in-lieu of foreclosure?

English

Español (cfpb.gov/es/obtener-respuestas/que-es-una-escritura-en-lugar-de-una-ejecucion-hi

A deed-in-lieu of foreclosure is an arrangement where you voluntarily turn over ownership of your home to the lender to avoid the foreclosure process.

A deed-in-lieu of foreclosure may help you avoid being personally liable for any amount remaining on the mortgage. If you choose this option, a U.S.Department of Housing and Urban Development (HUD)-approved housing counseling agency can help you plan your next steps.

Borrowers who are considering a deed-in-lieu of foreclosure should also ask their lenders or servicers about help with their relocation expenses through private programs that are sometimes called "cash-for-keys." If you live in a state in which you are responsible for any deficiency, which is a difference between the value of your property and the amount you still owe on your mortgage loan, you will want

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to ask your lender to waive the deficiency. If the lender waives the deficiency, get the waiver in writing and keep it for your records. A deed-in-lieu of foreclosure is one type of loss mitigation. For help in exploring your options, call

Tip

See our handout (https://files.consumerfinance.gov/f/documents/cfpb_

accuracy of this third-party information. There may be other resources that also serve your needs.

Don't see what you're looking for?

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How does foreclosure work? (cfpb.gov/askcfpb/287)

What is a HUD-approved housing counseling agency, and how can they help me? (cfpb.gov/askcfpb/261)

What's the difference between a mortgage lender and a servicer? (cfpb.gov/askcfpb/198)

Learn more about mortgages (cfpb.gov/consumer-tools/mortgages/)

An official website of the United States government